

Public Chapter 490

HOUSE BILL NO. 1401

By Representatives Kisber, Head, Davidson, Davis, Cross and Mr. Speaker Naifeh and Representatives Stulce, Maddox, Huskey, Kent, McKee, Ralph Cole, Rhinehart, Wood, Rinks, Ronnie Cole, McDaniel, Winningham, Curtiss, Ferguson, Arriola, Lewis, Walley, Sargent, Halteman Harwell, White, Bittle, Fraley, Ford, Fitzhugh

Substituted for: Senate Bill No. 517

By Senators Rochelle, Crutchfield, Womack, Haun, Atchley, McNally, Crowe, Burks, Carter, Cohen, Cooper, Davis, Dixon, Elsea, Ford, Fowler, Gilbert, Graves, Harper, Haynes, Henry, Herron, Jordan, Koella, Kurita, Kyle, Leatherwood, Miller, Person, Ramsey, Springer, Williams, and Mr. Speaker Wilder

AN ACT to amend Tennessee Code Annotated, Section 8-36-701, relative to cost of living adjustments for beneficiaries of the Tennessee Consolidated Retirement System.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-701(a)(4), is amended by deleting the word "section" and by substituting instead the word "subsection".

SECTION 2. Tennessee Code Annotated, Section 8-36-701, is amended by adding the following as a new subsection (b) and by redesignating the existing subsections accordingly:

(b) (1) Effective July 1, 1998, if there is a percentage increase in the consumer price index, as determined in accordance with subsection (a)(1), of at least one-half of one percent (0.5%), the retirement allowance payable to each beneficiary in receipt of an allowance prior to the July 1 next following shall be increased commencing on such July 1 by an amount determined by multiplying the beneficiary's then current retirement allowance by such percentage, but not to exceed three percent (3%). Notwithstanding the foregoing, if such percentage is one-half of one percent (0.5%) or more but less than one percent (1%), the percentage shall be rounded to one percent (1%). This adjustment provision shall be in lieu of the adjustments provided for in subsection (a) hereof.

(2) If the percentage increase in the consumer price index is less than one-half of one percent (0.5%), no retirement allowance increase shall be granted pursuant to this subsection.

(3) On January 1, 1998, the retirement allowance of each beneficiary shall be increased in accordance with the following schedule to reflect what the beneficiary's current allowance would be had the beneficiary received adjustments pursuant to this subsection (b) in lieu of the adjustments provided for in subsection (a):

| <u>Date of Retirement</u> | <u>Percentage Increase</u> |
|---------------------------|----------------------------|
| prior to 7/2/72 | 17.5% |
| 7/2/72 - 7/1/73 | 16.8% |
| 7/2/73 - 7/1/74 | 15.14% |
| 7/2/74 - 7/1/75 | 14.1% |
| 7/2/75 - 7/1/76 | 12.9% |
| 7/2/76 - 7/1/77 | 11.7% |
| 7/2/77 - 7/1/78 | 10.5% |
| 7/2/78 - 7/1/79 | 9.5% |
| 7/2/79 - 7/1/80 | 8.4% |
| 7/2/80 - 7/1/81 | 7.4% |
| 7/2/81 - 7/1/82 | 6.5% |
| 7/2/82 - 7/1/83 | 5.6% |
| 7/2/83 - 7/1/84 | 4.8% |
| 7/2/84 - 7/1/85 | 4.1% |
| 7/2/85 - 7/1/86 | 3.4% |
| 7/2/86 - 7/1/87 | 3.1% |
| 7/2/87 - 7/1/88 | 2.5% |
| 7/2/88 - 7/1/89 | 2.0% |
| 7/2/89 - 7/1/90 | 1.5% |
| 7/2/90 - 7/1/91 | 1.0% |
| 7/2/91 - 7/1/92 | 0.7% |
| 7/2/92 - 7/1/93 | 0.4% |
| 7/2/93 - 7/1/94 | 0.2% |
| 7/2/94 - 7/1/95 | 0.1% |

The increase in the beneficiary's monthly retirement allowance shall not be paid retroactively, but shall become effective on January 1, 1998.

(4) Notwithstanding any provision of the law to the contrary, this subsection (b) shall not apply to individuals who are members of the retirement system by virtue of their employment with any employer participating in the retirement system pursuant to chapter 35 of this title unless the governing body of any such employer passes a resolution to accept the associated liability and costs to provide such benefits. This increase in benefits will become effective following the adoption of the resolution. No retroactive benefits are to be paid under the provisions of this subsection.

SECTION 3. Implementation of the provisions of this act shall be subject to the funding being provided in the General Appropriations Act.

SECTION 4. This act shall take effect on January 1, 1998, the public welfare requiring it.